

AMENDED IN ASSEMBLY MAY 2, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1050**

---

**Introduced by Assembly Member La Malfa**  
*(Coauthors: Assembly Members Davis, DeVore, Jeffries, Maze, and Strickland)*

February 22, 2007

---

An act to add Section 6358.3 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1050, as amended, La Malfa. Sales and use taxes: exemptions: fiber animals.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law provides various exemptions from that tax, including an exemption for any form of animal life the products of which ordinarily constitute food for human consumption.

This bill would additionally exempt from those state taxes the gross receipts from the sale in this state of, and the storage, use, or other consumption of, any form of animal life ~~used in fiber production~~, *the products of which ordinarily constitute fiber*, as defined.

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.

Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 6358.3 is added to the Revenue and  
2 Taxation Code, to read:

3 6358.3. (a) There are exempted from the taxes imposed by  
4 this part, the gross receipts from the sale of, and the storage, use,  
5 or other consumption in this state of:

6 (1) Any form of animal life ~~used in fiber production, the~~  
7 ~~products of which ordinarily constitute fiber.~~

8 (2) Feed for any form of animal life ~~used in fiber production,~~  
9 ~~the products of which ordinarily constitute fiber.~~

10 ~~(3) Drugs or medicines, including oxygen, the primary purpose~~  
11 ~~of which is the prevention or control of disease, that are~~  
12 ~~administered to animal life used in fiber production.~~

13 ~~(b) For purposes of this section, "animal life used in fiber~~  
14 ~~production" means an animal whose coat, fur, skin, or hair is used~~  
15 ~~to create fibers. "Animal life used in fiber production" includes,~~  
16 ~~but is not limited to, angora rabbits, llamas, alpacas, angora goats,~~  
17 ~~and cashmere goats. "Animal life used in fiber production" shall~~  
18 ~~not include horses, dogs, cats, monkeys, chinchillas, mink, and~~  
19 ~~rodents.~~

20 *(b) For purposes of this section:*

21 *(1) "Any form of animal life" shall not include horses, dogs,*  
22 *cats, monkeys, chinchillas, mink, and rodents.*

23 *(2) "Fiber" means a unit of matter that is capable of being spun*  
24 *into a yarn or made into a fabric by bonding or by interlacing in*  
25 *a variety of methods, including weaving, knitting, braiding, felting,*

1 *twisting, or webbing, and that is the basic structural element of*  
2 *textile products.*

3 SEC. 2. Notwithstanding Section 2230 of the Revenue and  
4 Taxation Code, no appropriation is made by this act and the state  
5 shall not reimburse any local agency for any sales and use tax  
6 revenues lost by it under this act.

7 SEC. 3. This act provides for a tax levy within the meaning of  
8 Article IV of the Constitution and shall go into immediate effect.  
9 However, the provisions of this act shall become operative on the  
10 first day of the first calendar quarter commencing more than 90  
11 days after the effective date of this act.